

BOARD OF COUNTY COMMISSIONERS
COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA

RESOLUTION 5 OF 2022

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CENTRE, COMMONWEALTH OF PENNSYLVANIA, EXPRESSING THE COUNTY'S INTENT TO ISSUE GENERAL OBLIGATION, NONELECTORAL DEBT FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS OF THE COUNTY, INCLUDING (I) A CAPITAL PROJECT, AND (II) A REFUNDING PROJECT; DECLARING THE COUNTY'S OFFICIAL INTENT TO REIMBURSE ITSELF FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY THE COUNTY FOR CERTAIN EXPENDITURES RELATING TO THE CAPITAL PROJECT; APPOINTING A FINANCIAL ADVISOR AND BOND COUNSEL IN CONNECTION WITH THE INCURRENCE OF SUCH DEBT; DESCRIBING THE PROJECTS AND IDENTIFYING A SOURCE OF THE COUNTY'S FUNDS TO BE APPLIED TO THE PAYMENT OF EXPENDITURES RELATED TO THE CAPITAL PROJECT FOR WHICH THIS COUNTY EXPECTS TO BE REIMBURSED; APPROVING, AUTHORIZING AND DIRECTING OFFICIALS OF THE COUNTY, IN CONCERT WITH THE COUNTY SOLICITOR, THE FINANCIAL ADVISOR AND BOND COUNSEL TO DO AND TO TAKE CERTAIN ACTION PREPARATORY TO AND IN FURTHERANCE OF THE ISSUANCE OF SUCH DEBT; RATIFYING AND CONFIRMING THE PRIOR ACTIONS OF OFFICERS AND ADMINISTRATION OF THIS COUNTY WITH RESPECT TO THE PROJECTS AND RELATED MATTERS; PROVIDING THE EFFECTIVE DATE OF THIS RESOLUTION; PROVIDING FOR SEVERABILITY OF THIS RESOLUTION; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, County of Centre, Commonwealth of Pennsylvania (the "County"), is a county of the fourth class existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") and is a Local Government Unit, as defined in the Local Government Unit Debt Act, 53 Pa.C.S. § 8001 *et seq.*, as amended and supplemented (the "Debt Act"); and

WHEREAS, the County has determined that it is necessary and desirable to provide for the funding of (i) the planning, design, purchase, acquisition, construction and installation of capital improvements and renovations to the County-owned Centre Crest facility, the exterior of the County Courthouse and Willowbank Building (the "Capital Project"), and (ii) the refinancing of all or a portion of the County's outstanding general obligations bonds or notes, after consultation with PFM Financial Advisors LLC, as to the economic viability of realizing debt service savings over the life thereof (the "Refunding Project", and together with the Capital Project, the "Projects"); and

WHEREAS, the County intends to contribute approximately \$3,000,000 of available County funds towards a portion of the costs and expenses of the Capital Project, and intends to finance a portion of costs and expenses of the Projects from the proceeds of one or more series of general obligation, nonelectoral debt to be issued for such purpose, the interest on which such debt is intended to be excluded from gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended and supplemented (the "Code"), which financing herein is referred to as the

“Tax-Exempt Financing”, of which an amount reasonably estimated to be \$30,000,000 will be issued for purposes of the Capital Project; and

WHEREAS, the County, prior to the issuance of the Tax-Exempt Financing, expects to incur costs and to make capital expenditures for the Capital Project with monies from other available sources, which capital expenditures herein are referred to as the “Original Expenditures”; and

WHEREAS, the County desires to reimburse the Original Expenditures with proceeds of the Tax-Exempt Financing; and

WHEREAS, a declaration of intent to so reimburse the Original Expenditures with said proceeds is required by the regulations promulgated under Sections 103 and 141-150 of the Code; and

WHEREAS, Board of Commissioners of the County heretofore appointed PFM Financial Advisors LLC, to serve as the County’s financial advisor with respect to matters relating to the Projects and the issuance of the Tax-Exempt Financing; and

WHEREAS, Board of Commissioners of the County heretofore appointed Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, to serve as bond counsel with respect to matters relating to the Projects and the issuance of the Tax-Exempt Financing; and

WHEREAS, Board of Commissioners of the County desires County officials, the County solicitor, financial advisor, and bond counsel to prepare certain documents required by law or by custom, and as are otherwise deemed necessary and appropriate, for the County to undertake the issuance of the Tax-Exempt Financing; and

WHEREAS, the County, in compliance with the Code, desires to so declare its official intention to reimburse Original Expenditures with proceeds of the Tax-Exempt Financing, and further, desires to express its intent to issue nonelectoral debt of the County to be evidenced by the Tax-Exempt Financing and to authorize and direct County officials, County solicitor, financial advisor, and bond counsel to take all preparatory action required in order for the County to undertake the Project and the financing thereof .

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the County of Centre, Pennsylvania, as follows:

1. The foregoing recitals to this Resolution, and the defined terms therein, are incorporated herein and made a part hereof. The financing of the Projects is approved for action as set forth in this Resolution and in accordance with applicable federal and state law. It is the intent of the County to undertake the Projects and the financing thereof by the issuance of the Tax-Exempt Financing.
2. The reasonably expected source of funds that will be used to pay the Original Expenditures related to the Capital Project is the County’s General Fund, which the County reasonably expects to reimburse from proceeds of the Tax-Exempt Financing. All Original Expenditures to be reimbursed will be permitted expenditures under the Code including, but not limited to, capital expenditures or costs of issuance with respect to the Tax-Exempt Financing. The expenditures made by the County which are to be reimbursed in accordance with the intent

of this Resolution relate to the expenditures deemed reasonably necessary for the Capital Project prior to the Tax-Exempt Financing.

3. This Resolution constitutes a declaration of official intent, under the United States Treasury Regulations, 26 C.F.R. §1.150-2, to reimburse the County for expenditures made with respect to eligible costs of the Capital Project. This official intent encompasses payment of original expenditures made not more than sixty (60) days prior to the date of adoption of this Resolution and thereafter, for which the County reasonably expects to reimburse itself from proceeds of tax-exempt obligations.
4. The general, functional description of the Projects set forth in the recitals to this Resolution is incorporated herein.
5. In connection with the Capital Project, to the extent that a specific designation is to be made for each expenditure paid from County funds for which a reimbursement allocation will be made under authority of this Resolution, the appropriate officers of the County shall designate such expenditures and specify the amount of each expenditure.
6. The County shall allocate the proceeds from the Tax-Exempt Financing to reimburse an Original Expenditure related to the Capital Project by making the allocation on its books and records maintained with respect to the Tax-Exempt Financing. Such allocation shall specifically identify the actual Original Expenditures to be reimbursed. Such allocation shall occur not earlier than the date on which the Original Expenditure is paid and not later than eighteen (18) months after the later of: (a) the date on which the Original Expenditure was paid; or (b) the date on which the Capital Project was placed in service, but in no event more than three (3) years after the Original Expenditure was paid.
7. The proceeds from the Tax-Exempt Financing used to reimburse the Original Expenditures related to the Capital Project will not be used for any of the following purposes: (a) within one (1) year of the date of the reimbursement allocation to "refund" another issue of tax-exempt obligations within the meaning of Section 148 of the Code; (b) within one (1) year of the date of the reimbursement allocation to create or increase the balance in a "sinking fund"; (c) within one (1) year of the date of reimbursement allocation to create or increase the balance in a "reserve or replacement fund" within the meaning of the Code with respect to any tax-exempt obligation; and (d) to reimburse any person or entity of the County for any expenditure or any payment with respect to financing an expenditure that was originally paid with proceeds of any tax-exempt obligation.
8. County officials, acting through the County Administrator and Deputy County Administrator, the County solicitor, and other persons and entities, whether employed or retained by the County shall assist the financial advisor and bond counsel in the preparation of a financing plan for the Projects.
9. The authorization granted in this Resolution shall include authorization to prepare such financial and legal documents necessary and proper under federal and state law and customary in issuing tax-exempt, general obligation debt, including the preparation of a Preliminary Official Statement. County officials, County solicitor, financial advisor and bond counsel are authorized and directed to take such action as is necessary and proper to fulfill the

obligations imposed by this Resolution, including legal advertisement of a debt Ordinance pursuant to the requirements of the Debt Act and the application for bond insurance and for a bond credit rating.

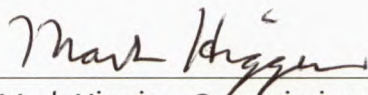
10. The County approves, ratifies and confirms all action heretofore taken by officers and other persons on behalf of the County in connection with the undertakings herein contemplated.
11. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the County that such remainder shall be and shall remain in force and effect.
12. This Resolution shall become effective immediately, and all resolutions or parts of resolutions inconsistent herewith are expressly repealed.

DULY ADOPTED, by the Board of Commissioners of County of Centre, Commonwealth of Pennsylvania, in lawful session assembled, this 19th day of April, 2022.

CENTRE COUNTY BOARD OF COMMISSIONERS



Michael Pipe, Commissioner Chair

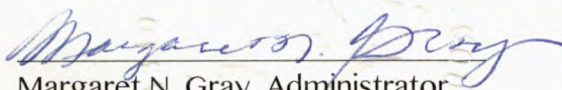


Mark Higgins, Commissioner Vice-Chair



Steven G. Dershem, Commissioner

ATTEST:



Margaret N. Gray, Administrator